

PLUS: CAN I STILL GET RICH IN STOCKS? (Yes, see p.77)

# BUSINESS 2.0

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Representatives of the independent accounting firm **Anders Arthursen** have tabulated the results of our 2nd annual...



# 101 Dumbest Moments in Business

And now,  
the envelope please...

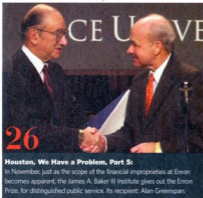
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AOL KEYWORD: BUSINESS2

Rusnak is freed, denying him the chance to unseat Barings PLC's Nicholas Leeson—who lost \$14 billion and destroyed a 232-year-old company—as the most inept rogue trader ever.

**25 Houston, We Have a Problem, Part 4:** As questions swirl around Enron's finances in mid-November, CEO **Kenneth Lay** reassures investors. "Everything we know, you know."



**Houston, We Have a Problem, Part 5:**

In November, just as the scope of the financial improprieties at Enron becomes apparent, the James A. Baker III Institute gives out the Enron Prize, for distinguished public service. Its recipient: Alan Greenspan.

**27 Mobile Office Enterprise** unveils the Express Desk, which attaches a notebook computer to the steering wheel of a car. For use only while parked, of course.



**31** An FBI investigation reveals that, since 1995, **McDonald's** prize contests, including its popular Monopoly game, have been rigged by eight individuals, including one who worked for the firm McDonald's hired to run the contests. The eight allegedly conspired to corner the market on the winning game pieces without enduring that arduous eating-from-McDonald's step.

**33** Despite a looming ad drought at the beginning of 2001, AOL Time Warner CEO **Gerald Levin** and chairman **Steve Case** reaffirm their intention of reaching \$40 billion in revenues and \$11 billion in Ebitda in the coming year—representing gains of 15 and 25 percent, respectively.

**36** In June—even as the country appears to be sliding into recession—AOL executives again affirm the company's intention to meet its targets. Despite widespread skepticism, the company retreats from its stated goals only after Sept. 11. (In January 2002, AOL Time Warner releases its annual results, which show revenues of \$38 billion and Ebitda of \$9.9 billion—decent results by any standard save those set by AOL's top brass a year earlier. AOL Time Warner co-CEO **Bob Pittman** tells the *Financial Times*, "I wish I'd kept my mouth shut.")

**38** "We've been doubling sales every 18 months. However, when

you start from zero, it takes a long while." — **Stephen Yeo**, a marketing director at Windows-terminal manufacturer Wyse, explaining his company's less-than-meteoritic rise, to ZDNet UK

**34 Sept. 11 Inc., Some Things Are Better Left Unsaid Division:** The October issue of the Association of Lloyd's Members newsletter announces that the terrorist attacks represent a "historic opportunity" for insurance underwriters to make money.

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**37 Still Partying Like It's 1999, Part 2:** Loudcloud, **Marc Andreessen's** ▶ Internet-infrastructure firm, launches an IPO in March 2001, smack-dab in the middle of the unkindest market in a decade. In contrast to Andreessen's previous IPO—Netscape, whose stock more than doubled on its first day and set off the tech-IPO mania of the 1990s—Loudcloud sinks like a lead cloud. The stock is offered at \$6 per share, well below the originally projected range of \$10 to \$12, and climbs all the way to \$6.56 on the day of its offering. As of press time, it traded at \$2.46 per share.



**39 Excite@Home, (Won)com,** and others line up to sponsor "Back the Net" day on April 3, 2001; participants are encouraged to purchase either a product or a share of stock online. The idea is "to dispel the negative stereotypes ... that have sent our technological marketplace into a recession." (Because nothing dispels negative stereotypes quite like an abject plea for charity.)

**39** After filing for Chapter 11, declaring their intention to liquidate the company's assets, and ending health-care benefits for retirees, **Polaroid** executives file a request in bankruptcy court to distribute an estimated \$19 million in "stay bonuses" to the company's top 45 executives.

**40** The Newspaper Association of America names **Kmart** its "Retailer of the Year" on Jan. 21, 2002, one day before the company files for bankruptcy protection under Chapter 11. ▶

## (28, 29, 30) Great Moments in Privacy

**PART 1:** In June 2001, the Georgia Student Finance Commission accidentally allows more than 18,000 scholarship applicants' personal information to be released onto the Internet.

**PART 2:** Not to be outdone, Eli Lilly sends a mass e-mail in July to users of its antidepressant Prozac but neglects to use the "bcc" header, further depressing its customers by disclosing their online identities to one another.

**PART 3:** Trumping Eli Lilly, in October a graduate student at the University of Montana accidentally posts to the school's website more than 400 documents relating to the psychiatric treatment of 62 children, including names, addresses, descriptions of sessions, and diagnoses.